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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

April 26, 1982

Ms. Lorraine Magana
City Clerk
City Hall
Sacramento, California

SUBJECT: April 27th City Council Agenda

Dear Lorraine:

This will confirm my conversation with Mike Miller that the following items will be withdrawn from the above Agenda.

Item No. 38 - Agency Resolution Authorizing Execution of Agreements with the State Department of Parks and Recreation and Sacramento Job Corps Center - McDowell Bldg. - Old Sacramento

Item No. 41 - Community Services Division/Tenant Service Unit 1982 Operation Plan

Thank you.

Very truly yours,

JOAN ROBERTS
Agency Clerk

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SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

April 19, 1982

Redevelopment Agency of the
City of Sacramento
Sacramento, California

CITY MANAGER'S OFFICE
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Honorable Members in Session:

SUBJECT: Authorization for the Executive Director to enter into Agreements with the State of California, Department of Parks and Recreation and Sacramento Job Corps Center for the construction and leasing of the McDowell Building in Old Sacramento.

SUMMARY

The proposed sale of the Agency owned Morse Building will displace the Golden Era Handicrafts Boutique. This report outlines a proposal by the Agency to construct a replacement building for use by Golden Era Handicrafts in conjunction with the California State Department of Parks and Recreation and the Sacramento Job Corps Center. When complete, this new structure known as the McDowell Building, will be owned by the State and leased to Golden Era, for the cost of upkeep, under the terms of an eighteen year Agreement with the State. This report contains a resolution authorizing the Executive Director to enter into Agreements with the State and Sacramento Job Corps to execute the project.

BACKGROUND

One of the major concerns of Golden Era Handicrafts, located in the Agency owned Morse Building (1029 Second Street, Old Sacramento) involves the imminent sale of the building. The building has been managed by the Sacramento Housing and Redevelopment Agency with Golden Era Handicrafts paying a nominal amount for the use of a portion of the building. The sale of the property places the project in a difficult position in attempting to pay competitive rent for equivalent shop space in Old Sacramento.

Based upon this concern, the Agency submitted a project budget for the construction of an alternate facility for Golden Era Handicrafts. This budget was included in the Agency's 1981 Capital Improvements Budget. On February 24, 1981, the City Council, acting as the Redevelopment Agency, approved \$80,000 for the construction of the McDowell Building

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
April 19, 1982
Page Two

in Old Sacramento. Based upon this approval, the Agency began negotiations with the State Department of Parks and Recreation (DPR) and the Sacramento Job Corps Center (SJCC) to provide land and labor donations for the construction of the building. As a result of these negotiations, two separate Agreements have been drafted and approved by staff and legal counsel. The Agreements set forth the roles and responsibilities of the DPR, SJCC, and the Agency.

"Agreement" with the Department of Parks and Recreation

DPR will provide technical services including historical interpretation and preparation of construction plans and specifications and will lease the land (the site of the McDowell Building is located in Old Sacramento, the 49er Scene, State Historic Park). The McDowell Building will be leased for a term of 18 years in exchange for maintenance of the structure. The building, due to its location on State land, will be owned by the State. The Agency will provide funds for material purchases necessary to construct the building and will administer the project during the construction phase.

"Memorandum of Understanding" between the Agency and Sacramento Job Corps Center.

The Sacramento Job Corps Center is a federal training program administered at the local level by Singer Corporation. The Sacramento center provides vocational training in building construction. An agreement has been reached whereby SJCC will donate the labor necessary to construct the McDowell Building in exchange for the training opportunities that the project provides. Trades journeymen will supervise SJCC trainees on the site.

FINANCIAL DATA

A preliminary project budget for the McDowell Building was proposed and approved as a part of the Agency's 1982 Capital Improvement Budget with \$80,000 of tax increment funds identified for the project administration and material purchase. It is estimated that the project can be executed for this amount, however, a final budget figure cannot be determined until final plans have been developed. At the time that the Agency receives the final plans from DPR any necessary budget amendment will be brought before the governing bodies for review and approval.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular (special) meeting of April 19, 1982, the Sacramento Housing and Redevelopment Commission adopted a motion recommending

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
April 19, 1982
Page Three

adoption of the attached resolution. The votes were as follows:

- AYES: Angelides, Dickinson, Fisher, Knepprath, Luevano,
A. Miller, B. Miller, Teramoto, Walton
- NOES: None
- ABSTAIN: None
- ABSENT: None

RECOMMENDATION

The staff recommends adoption of the attached resolution which authorizes the Executive Director of the Redevelopment Agency of the City of Sacramento to enter into Agreements with the State of California, Department of Parks and Recreation and the Sacramento Job Corps Center to execute the McDowell Project and subsequently lease the McDowell Building from the State of California for a term of eighteen years.

Respectfully submitted,

William H. Edgar
WILLIAM H. EDGAR
Interim Executive Director

Transmittal to Council:

Walter J. Slupe
WALTER J. SLIPE
City Manager

Contact Person:

38

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

April 27, 1982

AUTHORIZING EXECUTION OF AGREEMENTS WITH
THE STATE DEPARTMENT OF PARKS AND RECREATION
AND SACRAMENTO JOB CORPS CENTER
MCDOWELL BUILDING - OLD SACRAMENTO

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY
OF SACRAMENTO:

Section 1. The Executive Director is authorized to enter into an Agreement with the State of California, Department of Parks and Recreation for the construction and leasing of the McDowell Building, Old Sacramento, as attached.

Section 2. The Executive Director is authorized to enter into a Memorandum of Understanding with the Sacramento Job Corps Center for the construction of the McDowell Building, Old Sacramento, as attached.

CHAIRMAN

ATTEST:

SECRETARY

MC DOWELL BUDGET *

Material Purchase	30,431.00	
15% inflation, if construction begins in late 1981	34,996.00	
Does not include labor cost Labor to be donated		
Contingency of 15%	40,245.00	
Administration 10%	44,270.00	Subtotal
No profit No bond		Due to nature of donations
Architectural to be donated		
Additional square footage which may be added to building	31,330.00	additional
TOTAL NEEDED	75,600.00	
Grant from Area IV Council on the Aging	7,600.00	
Tax Increment Funding Identified in 1981	80,000.00	
IDENTIFIED FUNDING	TOTAL	87,600.00

* This budget was prepared in 1980 with the construction estimated to begin in 1981. At the time that construction is ready to begin, the budget will require amendment to bring it up to current inflationary costs.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
 COMMUNITY DEVELOPMENT DEPARTMENT
 WORK ASSIGNMENT/PROGRAM REPORT

Division Technical Services
 Project McDowell Building
 Responsible staff Carol Branan
 Supervisor Roy Tjen

- Legislative Approvals and Dates:
 1. Agreement to Commission/April
 2. Agreement to JC/April
 3. _____

Project Type
 City Redevelopment
 County Housing
 Grant
 Technical

Updated 6 23 81
 Day. Month Year

Legend

- Critical milestone (identify)
- △ Date project updated
- ▲ Current progress of project

Project Budget 7,600 Construction Bid Amount _____ Expenditures to date _____ Funding Source Area Four Agency on Aging Tax Increment
 \$ 80,000 \$ _____ \$ _____ 1982

Major Steps	1981				1982			
	1st 1/2 J F M	2nd 1/2 A M J	3rd 1/2 J A S	4th 1/2 O N D	1st 1/2 J F M	2nd 1/2 A M J	3rd 1/2 J A S	4th 1/2 O N D
Approval of budgeted items for building materials - Capital Improvements Budget	[Solid black bar]							
Develop Draft Agreement	[Solid black bar]							
Coordinate meeting RA/JC/DPR/ GEH/AC/A4AA	[Solid black bar]							
Memo through governing bodies			[Solid black bar]					△
Historical Research			[Solid black bar]					
Plans developed			[Solid black bar]					△
Permits issued			[Solid black bar]					▲
Purchase of materials				[Solid black bar]				
Construction begins				[Solid black bar]				
Monitoring of construction				[Solid black bar]				
Project Completed								

Project updated 4/5/82 Project is six months behind schedule due to difficulty in negotiating Agreements
 Ground breaking was due to begin December but will not start until June

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AGREEMENT
McDOWELL BUILDING
OLD SACRAMENTO STATE HISTORIC PARK

This Agreement made and entered into this _____ day of _____, 1981 by and between State of California, acting through its Department of Parks and Recreation, hereinafter called "STATE", and Redevelopment Agency of the City of Sacramento, hereinafter called "AGENCY";

W I T N E S S E T H:

WHEREAS, STATE may, pursuant to Section 5003 of the Public Resources Code, provide for the development and operation of park areas within the State Park System; and

WHEREAS, STATE desires to contract with AGENCY to develop, reconstruct, operate, and maintain the McDowell Building in and as a part of Old Sacramento State Historic Park; and

WHEREAS, AGENCY has independent authority to do so; and

WHEREAS, AGENCY will so operate said building through its own employees (including unpaid volunteers); and

WHEREAS, the parties hereto desire to avail themselves of all provision of law applicable to this Agreement and desire to jointly exercise their powers as specifically set forth herein and as authorized under Sections 6500 through 6513 of the Government Code.

1 NOW, THEREFORE, it is mutually agreed between the parties hereto as
2 follows:

3
4 1. (a) AGENCY, at no cost to STATE, shall furnish, except as provided
5 in Subparagraph (b) below, all labor, tools, material, and other work necessary
6 to reconstruct and develop the McDowell Building in and as a part of Old
7 Sacramento State Historic Park on the real property (including a location for
8 trash receptacles and route for utilities) hereinafter described (hereinafter
9 referred to as "said property"). All such work by AGENCY shall be completed
10 in accordance with specifications and architectural drawings furnished by
11 STATE. AGENCY shall, at no cost to STATE, purchase construction materials and
12 provide construction coordination and technical assistance of its architects
13 and engineers as needed to complete the reconstruction.

14
15 (b) All historical and design research and all specifications and
16 architectural drawings for reconstruction of said McDowell Building shall be
17 furnished by STATE at its own cost.

18
19 2. (a) All work for reconstruction of said McDowell Building,
20 including installation of utilities, under this Agreement by AGENCY shall be
21 completed by November 30, 1982.

22
23 (b) Motor vehicles may not be used for access to said property, or
24 parked on STATE property adjacent thereto, including to provide services and
25 supplies during the period specified in Paragraph 5 below, except with the
26 prior approval of STATE's Area Manager, which approval may be withdrawn. The
27 route of access to said property may be reasonably designated and redesignated
28 by STATE's Area Manager.

1 3. This Agreement is subject to all valid and existing contracts,
2 leases, licenses, encumbrances, and claims of title which may affect said
3 property.

4
5 4. All reconstruction and development work and work for the care,
6 maintenance, operation, protection, and control of said property under this
7 Agreement to be carried out by AGENCY shall be accomplished by AGENCY according
8 to the method or in the manner for doing so by AGENCY if it were proceeding
9 independently, except as herein provided. All work to be carried out by STATE
10 under this Agreement shall be done in accordance with STATE procedures or
11 methods for performing such work.

12
13 5. AGENCY, after completion of said reconstruction of said McDowell
14 Building, shall be responsible for a period of eighteen (18) years from the
15 date first above appearing for the care, maintenance, operation, protection,
16 and control of said property for the purposes of the State Park System.
17 During said period, AGENCY shall pay all costs of maintaining, controlling,
18 protecting, and operating said property for said purposes, and STATE shall
19 not, during said period, be liable for the cost of said development,
20 maintenance, control, protection, or operation.

21
22 6. (a) While this Agreement is in force and effect, said property
23 shall, at all times, be accessible and subject to the use and enjoyment of all
24 citizens of the State of California, and all other persons entitled to use and
25 enjoy the same, subject, however, in reference to such use and enjoyment, to
26 the control of AGENCY in conformity with this Agreement. AGENCY may adopt
27 rules and regulations for the use and enjoyment of said property. Any such

1 rules and regulations adopted by AGENCY shall conform to and be consistent
2 with the rules and regulations adopted by STATE and generally applicable to
3 the State Park System, including said property. Said property shall not be
4 used for any other purpose than the purposes herein enumerated. Said building
5 shall be used to interpret the historic theme approved by STATE, and for the
6 sale of handmade crafts and other handmade items, which right of sale shall be
7 non-exclusive, consistent with the general plan for said unit.
8

9 In the event (1) any regulation for the State Park System, or (2) a
10 general plan or amendment thereof for said park unit is adopted, making AGENCY
11 use of said premises, under this contract, a non-conforming use, nothing
12 herein contained shall be construed as (1) the consent of AGENCY to such
13 adoption, or (2) a waiver by AGENCY of the right to assert (a) it has a right
14 in the nature of a vested right to continue its use of the premises for the
15 purpose specified in this contract, or (b) that a reasonable period of time to
16 be allowed to continue the use described in this contract is for the full term
17 thereof.
18

19 Contractor agrees to comply with all federal and State laws and
20 regulations applicable to this agreement and the activities on said property.
21

22 (b) AGENCY shall use its best efforts so that said building shall
23 be open to the public between the hours similar facilities are open in the Old
24 Sacramento area and shall keep the Area Manager informed of AGENCY's schedule
25 for opening and closing said building during each year of the period of this
26 Agreement, except the boardwalk in front of said building shall remain open to
27 public use at all hours except as necessary to make repairs to said property.

1 AGENCY may remain open on other dates, observing same hours, at its discretion
2 with the concurrence of the Area Manager. In the event of adverse weather or
3 other operating conditions, the Area Manager or his authorized representative
4 may permit said building to be closed at any time during the term of this
5 Agreement.

6
7 (c) Service to the public, with goods and merchandise of the best
8 quality and at reasonable charges, is of prime concern to the STATE and is
9 considered a part of the consideration for this Agreement. Therefore, AGENCY
10 agrees that after completion of said building it will operate and manage the
11 services and facilities offered in a first-class manner, and comparable to
12 first-class operations providing similar facilities and services for the
13 remainder of the period of this Agreement.

14
15 (d) STATE reserves the right to prohibit the sale or rental of any
16 item which it deems objectionable, beyond the scope of merchandise deemed
17 necessary for proper service to the public, or of inferior quality.

18
19 (e) No food or beverage shall be sold on said property, except
20 items such as cans or bottles of jams, jellies, and preserves and similar
21 items may be sold if not prepared on the premises and not intended for
22 immediate consumption on or off the premises and subject to approval of the
23 Area Manager.

24
25 (f) No pesticides, herbicides, or fungicides may be used on said
26 property that are not approved in writing by the Area Manager in advance of
27 use.

1 (g) An employee of AGENCY shall be on said property at all times
2 while said building is open to the public.

3
4 7. AGENCY may not grant concessions in or upon said property or enter
5 into any arrangement which places the control of the premises in a private
6 person or persons or entity or entities. Any such concession or arrangement
7 shall be subject to STATE approval, which approval may be withheld or granted
8 on terms and conditions for concessions in the State Park System and by the
9 procedures therefor.

10
11 8. Any charges, fees, or collections made by AGENCY for services,
12 benefits, or accommodations to the general public shall be limited to actual
13 needs for maintenance, protection, control, and operation and that
14 commercialization for profit shall not be engaged in by AGENCY.

15
16 9. (a) All income received and all expenditures made by the AGENCY
17 in relation to special services, and all other matters incident to the
18 maintenance, protection, control, and operation of said property shall be
19 reported annually to the STATE. All such income and fees shall be used for
20 maintenance, protection, control, and operation of said property. The
21 unencumbered balance of such income and fees, at the end of the period
22 specified in Paragraph 5 above, shall be paid 50 percent to STATE and
23 50 percent to AGENCY. Such annual report shall be made for the annual period
24 commencing on July 1 and terminating on June 30 and shall be filed with STATE
25 not later than September 30 of each year. The first report hereunder by AGENCY
26 shall cover the period beginning with the effective date of this Agreement and
27 terminating the following June 30 and shall be filed by the following

1 September 30. For purposes of this Agreement, the costs of maintenance,
 2 protection, control, and operation of said property shall include the
 3 allocation of all administrative and supervisory expenses of the AGENCY
 4 which are directly related to the operation of the project and such indirect
 5 administrative and supervisory expenses of the AGENCY as shall be allocated
 6 to the project under a formula approved by the United States Department of
 7 Housing and Urban Development.

8
 9 (b) The report shall include a reasonable weekly estimate of the
 10 number of visitors to said property.

11
 12 (c) The books, records, and accounts kept by AGENCY applying to the
 13 operation of said property shall at all reasonable times be open for audit or
 14 inspection by STATE.

15
 16 10. It is further agreed and understood between the parties hereto that
 17 any development work which may be undertaken by STATE, along or on said park
 18 unit (excluding said property but not the site for the trash receptacles and
 19 utilities easement described on Exhibit "A"), in the manner provided by law or
 20 under the rules of STATE, shall not, in any way, be construed as constituting
 21 a termination of this Agreement or in any way affecting same.

22
 23 STATE shall have the right to enter into agreements for such work
 24 during the term hereof or to authorize any person, firm, or corporation to do
 25 public work for the improvement or development of said park unit, provided
 26 that STATE shall give AGENCY written notice of its intention to do any of the
 27 work herein mentioned before such work is undertaken.

1 11. After said initial reconstruction of said McDowell Building, AGENCY
2 shall not, either by its own forces or by contract, undertake projects for the
3 development, construction, or improvement (including alteration, and addition
4 of fixtures) to said property. Plans and specifications for any such project
5 shall be submitted to STATE for approval. No such project shall be commenced
6 by AGENCY's own forces or contracts awarded prior to STATE written approval of
7 such plans and specifications. STATE has the right to disapprove such plans
8 and specifications. Such development, construction, or improvement shall be
9 in accordance with the General Plan for such unit. Repair required to
10 maintain the reconstructed McDowell Building to condition contemplated by the
11 plans and specifications referred to in Paragraph 1 above and by Paragraph 12
12 below may be carried out by AGENCY.

13
14 12. (a) Improvements erected on said property by AGENCY, including the
15 reconstructed McDowell Building, shall, upon completion, become a part of the
16 realty, and title to such improvements shall vest in STATE.

17
18 (b) Said property, including the reconstructed McDowell Building,
19 shall, at the end the period specified in Paragraph 5 above, be left in as
20 good a condition and state of repair as existed on the date of completion of
21 its reconstruction under this Agreement, less ordinary wear and tear.

22
23 (c) AGENCY agrees to maintain any and all facilities on said
24 property in good order and repair at its own cost and expense during the
25 entire period of this Agreement. Such maintenance shall conform to the same
26 standards and schedule as the STATE provides in its Facility Maintenance
27 Program for the subject park unit. AGENCY shall perform at its own cost and

1 expense any required maintenance and repairs including structural maintenance
 2 and landscape maintenance, and should AGENCY fail, neglect, or refuse to do
 3 so, the STATE shall have the right to perform such maintenance or repairs for
 4 the AGENCY's account, and the AGENCY agrees to promptly reimburse the STATE
 5 for the cost thereof, provided however, that the STATE shall first give AGENCY
 6 ten (10) days written notice of its intention to perform such maintenance or
 7 repairs for AGENCY's account for the purpose of enabling AGENCY to proceed
 8 with such maintenance or repairs at its own expense. The STATE shall not be
 9 obligated to make any repairs to or maintain any improvements on said property.

10
 11 (d) AGENCY expressly agrees at all times during the period of this
 12 Agreement, at its own cost and expense, to maintain and operate said property
 13 and front for the full width of the boardwalk and rear and side areas adjacent
 14 to a distance of not less than three (3) feet, in a clean, safe, wholesome,
 15 and sanitary condition free of trash, garbage, or obstructions of any kind and
 16 in compliance with any and all present and future laws, general rules, or
 17 regulations of any governmental authority now, or at any time during the
 18 period of this Agreement, in force relating to sanitation or public health,
 19 safety, or welfare. AGENCY shall remedy without delay any defective,
 20 dangerous, or unsanitary condition.

21
 22 (e) AGENCY shall be responsible for the installation and provision
 23 of all utilities (including separate metering) necessary to and used in
 24 connection with said property. AGENCY shall be responsible for the payment of
 25 all utility charges, including furnishing all necessary refuse and garbage
 26 containers and removal and disposal of all rubbish, refuse, and garbage
 27 resulting from activities or operations on said property. All such rubbish,

1 refuse, and garbage removed shall be disposed of outside the park unit and in
2 accordance with applicable laws and local ordinances. All trash containers
3 and/or trash bins shall be located and screened as shown on the plan referred
4 to in Paragraph 1 above. For the purpose of this paragraph, sewage disposal
5 shall be construed as a utility.

6
7 13. (a) AGENCY shall not, without prior written approval of STATE,
8 remove, move, demolish, or alter in any manner any improvement, natural
9 feature, or accretion existing on said property on the effective date of this
10 Agreement or subsequently occurring, such approval may be withheld.

11
12 (b) No sign, name, placard, or advertising matter shall be
13 inscribed, painted, or affixed upon said property without written consent of
14 the STATE first had and obtained. No advertising matter or other form of
15 communication, including printed or electronic media, shall be circulated or
16 published if it identifies or uses the name of "Old Sacramento State Historic
17 Park" or any feature thereof without written consent of STATE first had and
18 obtained.

19
20 14. If said property or portion thereof is taken by proceedings in
21 eminent domain, STATE shall receive the entire award for such taking.

22
23 15. This Agreement shall not, nor shall any interest therein or
24 thereunder, be assigned, mortgaged, hypothecated, or transferred either by
25 AGENCY or by operation of law, nor shall AGENCY let or sublet, or grant any
26 licenses or permits with respect to the use and occupancy of said property or
27 any portion thereof, without the written consent of STATE first had and
28 obtained, which consent may be withheld.

1 16. (a) Notices desired or required to be given hereunder or under any
 2 law now or hereafter in effect may, at the option of the party giving same, be
 3 given by enclosing the same in a sealed envelope addressed to the party for
 4 whom intended and by depositing said envelope, with postage prepaid, certified
 5 with return receipt requested, in the United States Post Office or any
 6 substation thereof.

7
 8 (b) In the event such notice is being given to AGENCY, such notice
 9 and the envelope containing the same shall be addressed to Redevelopment
 10 Agency of the City of Sacramento, P.O. Box 1834, Sacramento, CA 95809, or such
 11 other place as may hereafter be designated in writing by or on behalf of
 12 AGENCY; and in the event that said notice is being sent to STATE, said notice
 13 and the envelope containing the same shall be addressed to the Department of
 14 Parks and Recreation, P.O. Box 2390, Sacramento, CA 95811.

15
 16 17. Said property shall be known as the McDowell Building, a part of Old
 17 Sacramento State Historic Park, and shall include all that certain real
 18 property in the County of Sacramento, State of California, described on
 19 Exhibit "A" attached and by this reference incorporated herein.

20
 21 18. (a) AGENCY shall require all subcontractors (except Sacramento Job
 22 Corps) performing under this Agreement to maintain in force and provide STATE
 23 a certificate of insurance stating that there is liability insurance presently
 24 in effect for such contractor with limits of bodily injury coverage of not
 25 less than ONE HUNDRED THOUSAND DOLLARS (\$100,000) per person and THREE HUNDRED
 26 THOUSAND DOLLARS (\$300,000) per occurrence and property damage limits of not
 27 less than FIFTY THOUSAND DOLLARS (\$50,000) per occurrence. Said certificate
 28 of insurance shall include the following special endorsement to the policy:

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(1) State of California, its officers, employees, and servants are included as additional insureds but only insofar as operations under this contract are concerned.

(2) The insurer will not cancel the insured's coverage without thirty (30) days prior written notice to STATE.

(3) The STATE will not be responsible for premiums or assessments on the policy.

(b) AGENCY shall provide upon completion of reconstruction of said McDowell Building, and shall maintain in force during the remainder of the period of this Agreement, fire insurance with extended coverage endorsements thereon, on all improvements constructed upon the subject premises by AGENCY, in an amount equal to ninety percent (90%) of the full replacement cost and/or value thereof; said policy to contain a replacement cost endorsement naming AGENCY as the insured. The proceeds of any such policy or policies may be made payable to AGENCY and shall contain the following special endorsement:

(1) Payments made under this policy (other than additional and segregated amounts of liability under said policy for building contents) shall be used to repair or rebuild the insured premises at option of AGENCY if the repairs may be made within 180 days and, if not so used, such payments shall be made to the STATE. Such proceeds of any such insurance payable to the STATE shall be used for rebuilding or repair as necessary to restore the premises and at the discretion of STATE.

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(2) The insurer will not cancel or reduce the insured's coverage without thirty (30) days prior written notice to STATE.

(3) STATE will not be responsible for premiums or assessments on the policy.

A complete and signed certificate of insurance with all endorsements required by this paragraph shall be filed with the STATE prior to the commencement of operation of such improvements. At least thirty (30) days prior to the expiration of any such policy, a signed and complete certificate of insurance with all endorsements required by this paragraph, showing that such insurance coverage has been renewed, shall be filed with the STATE.

Upon request, insurer shall furnish STATE a certified copy of the policy within fifteen (15) days.

In the event of destruction, loss, or damage by fire or other cause of any building, improvement, or fixture on said property, which in the opinion of AGENCY (notification of which opinion shall be given STATE in writing within fifteen (15) days after such occurrence), cannot be repaired within one-hundred-eighty (180) days, either party may terminate this Agreement by notice in writing to the other party given within fifteen (15) days after such notification. In the event of such termination, STATE shall be entitled to such fire insurance proceeds. In the event of such destruction, loss, or damage and the Agreement is not terminated under this paragraph, only the McDowell Building may be constructed by AGENCY (with insurance proceeds or otherwise) in accordance with the plans and specifications referred to in

1 Paragraph 1 above, and as so reconstructed shall be subject to the terms and
2 provisions of this Agreement.

3
4 19. Nothing herein shall preclude STATE from contributing funds for the
5 further improvement and development of said property pursuant to an amendment
6 in writing mutually agreed to.

7
8 20. (a) AGENCY hereby waives all claims and recourse against the STATE,
9 including the right to contribution for loss or damage to persons or property
10 arising from, growing out of, or in any way connected with or incident to this
11 Agreement except claims arising from the concurrent or sole negligence of
12 STATE, its officers, agents, and employees.

13
14 (b) AGENCY shall indemnify, hold harmless, and defend STATE, its
15 officers, agents, and employees against any and all claims, demands, damages,
16 costs, expenses, or liability costs arising out of the development, construc-
17 tion, operation, protection, or maintenance of said McDowell Building and said
18 property which claims, demands, or causes of action arise under Government
19 Code Section 895.2 or otherwise except for liability arising out of the
20 concurrent or sole negligence of STATE, its officers, agents, or employees.

21
22 (c) In the event STATE is named as co-defendant under the
23 provisions of the Government Code Section 895 et seq., AGENCY shall notify
24 STATE of such fact and shall represent STATE in such legal action unless STATE
25 undertakes to represent itself as co-defendant in such legal action in which
26 event STATE shall bear its own litigation costs, expenses, and attorney's fees.

27 ---

1 (d) In the event judgment is entered against STATE and AGENCY
 2 because of the concurrent negligence of STATE and AGENCY, their officers,
 3 agents, or employees, an apportionment of liability to pay such judgment shall
 4 be made by a court of competent jurisdiction. Neither party shall request an
 5 apportionment by a jury.

6
 7 21. This Agreement may be amended in writing from time to time by mutual
 8 consent of both parties subject to the approval of the State Department of
 9 General Services. This Agreement shall bind and inure to the benefit of the
 10 successors and assigns of the parties hereto.

11
 12 22. Fair Employment Practices Addendum, Std. Form 3, attached, is
 13 incorporated herein, and the reference therein to Contractor shall mean AGENCY.

14
 15 23. The parties hereto agree:

16
 17 (a) It is not their intent, in entering into this Agreement, to
 18 confer any benefit or right on any third person or class of persons, not a
 19 party to this agreement;

20
 21 (b) That no person or class of persons not a party to this contract
 22 shall have a direct right to benefit, or damages in lieu of benefits, against
 23 either party hereto by reason of any provision of this Agreement or the
 24 exercise by either party hereto of any right, power, or privilege provided for
 25 herein or the nonperformance of any provision of this Agreement.

26 ---
 27 ---

FAIR EMPLOYMENT PRACTICES ADDENDUM

1. In the performance of this contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, sex*, age*, national origin, or physical handicap*. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, ancestry, sex*, age*, national origin, or physical handicap*. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the State setting forth the provisions of this Fair Employment Practices section.

2. The Contractor will permit access to his/her records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment Practices Commission, or any other agency of the State of California designated by the awarding authority, for the purpose of investigation to ascertain compliance with the Fair Employment Practices section of this contract.

3. Remedies for Willful Violation:

- (a) The State may determine a willful violation of the Fair Employment Practices provision to have occurred upon receipt of a final judgement having that effect from a court in an action to which Contractor was a party, or upon receipt of a written notice from the Fair Employment Practices Commission that it has investigated and determined that the Contractor has violated the Fair Employment Practices Act and has issued an order, under Labor Code Section 1426, which has become final, or obtained an injunction under Labor Code Section 1429.
- (b) For willful violation of this Fair Employment Practices provision, the State shall have the right to terminate this contract either in whole or in part, and any loss or damage sustained by the State in securing the goods or services hereunder shall be borne and paid for by the Contractor and by his/her surety under the performance bond, if any, and the State may deduct from any moneys due or that thereafter may become due to the Contractor, the difference between the price named in the contract and the actual cost thereof to the State.

**See Labor Code Sections 1411 - 1432.5 for further details.*

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, made this _____ day of _____, 1982, by and between the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, a public body, corporate and politic (hereinafter "Agency"), and THE SACRAMENTO JOB CORPS (hereinafter "Job Corps").

RECITALS

A. The Agency desires to make provision for an affiliated program, the Golden Era Handicraft Boutique (herinafter "Golden Era"), to provide a suitable retail outlet for handicraft items prepared and sold by senior citizens of the community.

B. The Agency has made arrangements with the State of California Department of Parks and Recreation (hereinafter "State") to make use of a site in the Old Sacramento State Historic Park for a building for Golden Era (hereinafter the "McDowell Building"). When completed the McDowell Building and the land upon which it is built will be owned by the State of California and operated as a public structure within Old Sacramento State Historic Park.

C. The Agency desires to reconstruct an historically authentic building known as the McDowell Building on the site provided by State.

D. The Agency has sufficient abilities, capacities and resources to cause the McDowell Building to be constructed on the State site provided that it receives the assistance of Job Corps as set fourth herein. The Agency has allocated only those funds necessary to provide overall administration for the project and purchase of construction materials.

E. Job Corps has the abilities, resources and capacities to undertake the contributions set forth herein. The Agency understands that Job Corps is not a licensed construction firm.

UNDERSTANDINGS

1. Agency will utilize the site provided within the Old Sacramento State Historic Park by State. State will provide the excavation, fill and preparation of the site. State will also provide technical architectural drawings for the reconstruction of the McDowell Building.

2. Agency will provide the financing and will purchase all necessary construction materials for the project. Agency will secure all permits and approvals. Agency will coordinate and develop a construction timetable in coordination with Job Corps. Agency will provide supervision and project monitoring during the course of construction as well as coordinate donated labor.

3. Job Corps will provide all construction manpower along with supervision by journeymen. Job Corps will obtain the necessary approvals for the Department of Labor and local Union representatives for the use of such donated labor upon the site. Job Corps shall be responsible for those actions of their employees which do not directly relate to the work upon the construction project.

4. Time is of the essence in the performance of the obligations of this memorandum.

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first above written.

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

By _____ Executive Director

THE SACRAMENTO JOB CORPS CENTER

By _____ Director

THE DEPARTMENT OF LABOR

By _____